
FINANCIAL SERVICES REPUBLICAN MORNING CLIPS 10.5.2009

Wall Street Journal: "Lehman Creditors to Get Payout Plan ... Lehman Brothers Holdings Inc.'s hedge-fund creditors in London, with as much as \$16 billion tied up in the securities firm's bankruptcy, will be asked on Monday to join in an unusual effort to break a yearlong logjam."

Wall Street Journal: "PPIP to Get \$1.94 Billion From Blackrock, Others ... The Treasury Department on Monday plans to announce that three more investment funds will invest almost \$2 billion into a federal government program to purchase soured real-estate related assets."

Wall Street Journal: "Geithner Calls for Greater Transparency at Development Banks ... U.S. Treasury Secretary Timothy Geithner on Monday called for more transparency at the World Bank and similar organizations, saying donor countries want to be assured any new funds provided will be well-managed."

Wall Street Journal: "Debt Plan Falls Short of Fixing CIT Lending ... CIT Group Inc.'s proposed debt-restructuring plan, even if successful, may do little to fix the company's broken lending business."

Wall Street Journal: "Time for a TARP Exit Strategy ... A year ago our country was in the midst of a serious crisis, with large financial institutions teetering on the edge of bankruptcy. There was a very real danger credit markets would freeze and the economy would grind to a halt."

USA Today: "Bank of America authorizes TARP dividend payment ... Bank of America said Friday its board authorized a \$713 million dividend payment on preferred stock issued to the Treasury Department as part of the government's bank rescue program last year."

The Washington Post: "Damaged Money, Priceless Stories ... The fast-talking and well-dressed Texas customs broker has arrived at the Treasury Department twice in recent years with luggage stuffed with crusty, grimy greenbacks. The money was ruined, he said, and worth about \$6.4 million."

NY Times: "Buyout Firms Profited as a Company's Debt Soared ... For most of the 133 years since its founding in a small city in Wisconsin, the Simmons Bedding Company enjoyed an illustrious history."

NY Times: "Bonds Boom as Investors Flock Back ... The swift rally in stock markets this year caught everyone's attention. But with far less fanfare, a frenzy has been taking place in the market for corporate bonds."

NY Times: "New Court Term Hints at Views on Regulating Business ... The new Supreme Court term that begins Monday will be dominated by cases concerning corporations, compensation and the financial markets that could signal the justices' attitude toward regulatory constraints at a time of extraordinary government intervention in the economy."

NY Times: "Program to Buy Bad Assets Nearly in Place, U.S. Says ... The Treasury Department said on Sunday that its scaled-down program to help banks unload their troubled mortgages and mortgage securities would begin operating at full strength by the end of this month, more than a year after Congress authorized \$700 billion for that purpose."

LA Times: "FDIC's Bair drills down on how to end 'too big to fail' ... Federal Deposit Insurance Corp. Chairwoman Sheila Bair gave a long speech to an international meeting of bankers in Istanbul, Turkey, today, focusing on how to end the "too big to fail" doctrine."

LA Times: "Bank's refusal to refinance this couple's loan is astounding ... One reason we got into our current economic mess is because banks handed out home loans to pretty much anyone with a pulse, regardless of their ability to, you know, actually make mortgage payments."

LA Times: "FHA reverse mortgage applicants may be affected by limits on payouts ... Declining home values have put a serious squeeze on the Federal Housing Administration's reverse mortgage program for seniors 62 and older."

Washington Times: "Study: Bernanke, Paulson misled public on bailouts ... Federal Reserve Chairman Ben S. Bernanke and former Treasury Secretary Henry M. Paulson Jr. misled the public about the financial weakness of Bank of America and other early recipients of the government's \$700 billion Wall Street bailout, creating "unrealistic expectations" about the companies and damaging the program's credibility, according to a report by the program's independent watchdog."

Reuters: "Treasury to say 3 more funds to buy toxic assets ... The U.S. Treasury Department will announce on Monday that three more funds have met requirements to get government financing that will let them begin purchases of banks' so-called toxic assets."

Reuters: "Lehman administrator looks to dole out assets: report ... The administrator for Lehman Brothers Holdings Inc plans to seek permission to remove the claims against the bank from British courts and give out assets directly to creditors, the Wall Street Journal said, citing a joint administrator for the collapsed investment bank."

Reuters: "Goldman, influence intact, lets one well run dry ... Goldman Sachs Group Inc (GS.N), legendary for its clout in Washington, has inexplicably halted its political fund-raising machine."

Reuters: "U.S. pronouncements later hurt bailout: IG report ... Senior U.S. officials deliberately created the impression last year that banks receiving huge government cash infusions were healthier than was the case, a Treasury Department watchdog's report released on Monday said."

Reuters: "U.S. SEC: no more SarbOx delays for small firms ... U.S. small businesses will no longer get a reprieve from complying with an auditing provision of the Sarbanes Oxley corporate reform law, the Securities and Exchange Commission said on Friday."

Bloomberg: "Commodity Swaps Would Be Regulated by U.S. Under Frank's Plan ... Legislation aimed at tightening oversight of the \$592 trillion derivatives market would give the Commodity Futures Trading Commission new authority to police over-the-counter commodity swaps as well as derivatives traded on foreign exchanges."

Bloomberg: "Geithner Note Buoyed by Less Bills as Inflation Slows (Update2) ... Treasury two-year notes are poised to lead the market for U.S. debt as the government curbs sales of shorter-maturity securities and the recovering economy keeps central bankers from raising interest rates."

Bloomberg: "U.S. Lost Credibility by Saying Banks Were Healthy, Audit Says ... The Treasury Department "lost credibility" when it said its first capital injections from the \$700 billion financial rescue were for healthy banks, the inspector general for the Troubled Asset Relief Program said."

Bloomberg: "Bernanke Says Jobless Rate May Be Above 9% in 2010 (Update1) ... Federal Reserve Chairman Ben S. Bernanke said U.S. economic growth next year probably won't be strong enough to "substantially" bring down the jobless rate, which may remain above 9 percent at the end of 2010."

Bloomberg: "Treasury to Announce Three More Firms to Get Funding From PPIP ... The U.S. Treasury Department will announce today that AllianceBernstein Holding LP, BlackRock Inc. and Wellington Management Co. have raised a combined \$1.94 billion for their funds participating in the U.S. effort to buy toxic assets from banks."

Bloomberg: "Fed Needs Goldilocks for Roach Motel Check-Out: Caroline Baum ... If only the moderator had called on me, I might have gotten an answer to my questions and left with more confidence in the Federal Reserve's ability to pull off its exit strategy without a hitch."

Real Clear Markets: "The Government Averted a Depression ... How close did we come to the Great Depression 2.0? That question will spawn a cottage industry of books, studies and conferences."

The Boston Globe: "Agency missed its chance to stop scams ... The Financial Industry Regulatory Authority didn't fully probe transactions at Bernard Madoff's firm and repeatedly failed to investigate tips about R. Allen Stanford's alleged \$7 billion fraud, an internal report found."

CNN: "Bailout cop: Treasury set 'unrealistic expectations' ... A government watchdog says federal officials weren't entirely honest with the public about the health of the first 9 financial firms that got federal bailouts, according to a report released Monday."